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DATE: October 21, 2010

TO: Commenters and Interested Parties

FROM: Christina Hooke, Senior Staff Counsel

SUBJECT: Notice of Third Comment Period for Discount Health Plans; Proposed Adoption of Article 2.5 and Amendment of Article 3 in Title 28, California Code of Regulations; Control No. 2001-0024

Pursuant to Government Code section 11346.8(c) and California Code of Regulations, Title 1, section 44, the Department of Managed Health Care (Department) is making available to commenters and interested persons, the text of the modified regulation for Discount Health Plans, Control No. 2001-0024. The changes to the originally noticed text are denoted by double underline and strikeout.

The modified text is a result of the written comments received during the initial comment period that lasted 45 days and ended on February 22, 2010, and a second comment period that lasted 66 days and ended October 11, 2010 and the oral comments received at the public hearings held on February 22, 2010 and October 5, 2010.

WRITTEN COMMENT PERIOD: The Office of Legal Services will accept written comments regarding the changes from the August 13, 2010 proposed regulation 15 days after the date on which the modifications are made available. Therefore, comments must be received by the Department of Managed Health Care, Office of Legal Services, **by 5 p.m. on Friday, November 5, 2010**, which is hereby designated as the close of the written comment period.

Please address all comments to the Department of Managed Health Care, Office of Legal Services, Attention: Regulations Coordinator. Comments may be transmitted by regular mail, fax, email or via the Department's website:

Website: <http://wpso.dmhca.ca.gov/regulations/#1>
Email: regulations@dmhca.ca.gov
Mail: Department of Managed Health Care
Office of Legal Services
Attn: Regulations Coordinator
980 9th Street, Suite 500
Sacramento, CA 95814
Fax: (916) 322-3968

Please note, if comments are sent via the website, email or fax, there is no need to send the same comments by mail delivery. All comments, including via the website, email, fax or mail, should include the author's name and U.S. Postal Service mailing address so the Department may provide commenters with notice of any additional proposed changes to the regulation text.

Please identify the action by using the Department's rulemaking title and control number, **Discount Health Plans, Control No. 2001-0024**, in any of the above inquiries.

CONTACTS: Inquiries concerning the proposed amendments of this regulation may be directed to:

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The backup contact is:

Emilie Alvarez, Regulations Coordinator
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AVAILABILITY OF DOCUMENTS: The Department has available for public review the Notice of Rulemaking Action, Initial Statement of Reasons, text of the originally noticed proposed regulation and all information upon which the proposed regulation is based upon (rulemaking file). This information is available by request to the Department of Managed Health Care, Office of Legal Services, 980 9th Street, Suite 500, Sacramento, CA 95814, Attention: Regulations Coordinator.

The Notice of Rulemaking Action, Initial Statement of Reasons and the proposed text of the regulation are also available on the Department's website at <http://wpsso.dmhc.ca.gov/regulations/>, under the heading "Open Pending Regulations."

You may obtain a copy of the Final Statement of Reasons, once it has been prepared, by making a written request to the Regulation Coordinator named above.